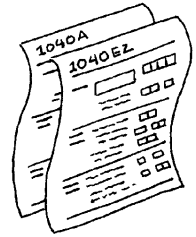




Tax Facts

Prepared by the House Republican Study Committee



Did You Know?

By the Numbers:

- ✓ There are approximately 700 separate sections of the Tax Code that apply to individuals. There are over 1,500 separate provisions that apply to businesses.
- ✓ As of May 2000, before passage of the last two tax bills, the Tax Code contained 1,395,028 words – nearly 319 times the number of words in the Constitution.
- ✓ IRS Regulations contain over 8,551,444 words – over 11 times the number of words in the King James Bible.
- ✓ The IRS produces 649 separate forms, schedules, and instructions with approximately 16,100 lines. Publications providing guidance to taxpayers alone total about 13,400 pages.

Compliance & The IRS:

- ✓ Ten years ago, the IRS said it took the average person 9 ½ hours to complete the 1040. Today, it takes 13 hours – time enough to complete at least 4 baseball games.
- ✓ This year, Americans will spend an estimated 5.8 billion hours complying with the tax code – 5.8 billion hours ago was 660,000 years before the birth of Jesus Christ.
- ✓ It will cost taxpayers an estimated \$194 billion this year just to comply with the tax code – that is enough money to buy 4.7 million brand new Cadillac DeVille 4-Door Sedans at retail price.
- ✓ The IRS's budget is \$10 billion a year – equal to the size of the budgets for the FBI, the DEA, and INS Border Enforcement combined.
- ✓ As of last March, the IRS employed 104,900 people – four times as many people as work for the FBI.
- ✓ Yet, with all these resources, last year the IRS answered less than 60% of the phone calls they received requesting information or assistance. When they did answer, one out of every four answers they provided was either incomplete or incorrect.

Think You Have Paid Your Taxes for the Year?

Think Again!!

Throughout the rest of the year, Americans will continue paying more federal taxes every time they go shopping, fly on an airplane, make a phone call, fill up their gas tank, or even sit down to have a cold beer.

\$\$\$ When the Federal Government taxes corporations, the companies are forced to factor in these costs into the price of products and services they sell. Corporate income taxes and the employer share of payroll taxes cost consumers over \$1,600 a year in increased prices.

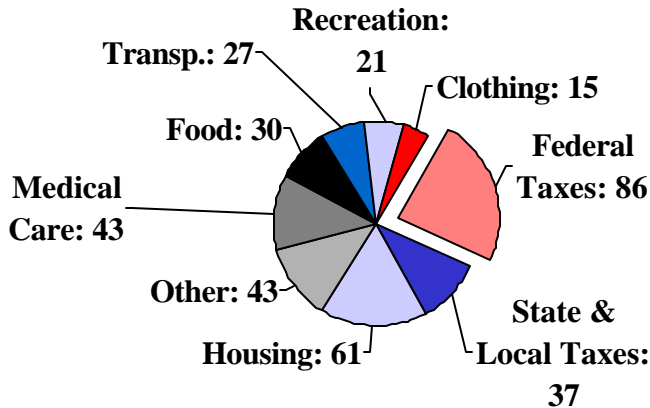
\$\$\$ The government also imposes excise taxes on a wide variety of products, including airline tickets, gasoline, beer, and phone service. These excise taxes cost the average American approximately \$500 a year.

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Working for the Taxman:

Last year, 100% of the income Americans earned from January 1st to May 3rd (123 days) went to pay taxes. Americans spent more time working to pay taxes than they spent working to own a home, put food on the table, or pay medical expenses.

Number of Days Spent Working to Pay For:



Because of the tax bill enacted last year, Americans will spend less time working for the federal government this year. Unfortunately, opposition to the tax relief from Senate Democrats forced the inclusion of a provision sunseting the tax cut in 10 years. Congress must act again to make the tax relief permanent. Amazingly, some Democratic Members of Congress have suggested going in the exact opposite direction, proposing that we raise taxes even higher.

Fed Up?

Members of the Republican Study Committee are as well. That is why many Members are supporting:

- A bill to make last year's tax cut permanent, a proposal which will likely be voted on this month.
- A bill to sunset the current tax system in 5 years, forcing Congress to either develop a new tax system, such as a flat income tax or a sales tax, or vote to keep the current system.
- A Constitutional amendment requiring a 2/3 vote in Congress to raise taxes.

For additional information about these and other tax related proposals contact the Republican Study Committee:

House Republican Study Committee
John Shadegg (R-AZ) Chairman
www.house.gov/burton/RSC/

Sources for Tax Facts: General Accounting Office, IRS, Office of Management and Budget, Office of Personnel Management, Bloomberg Tax Guide, and The Tax Foundation.

Prepared at Taxpayer Expense.